

# **CITY OF LEWISTON**

**CITY COUNCIL**

**JUNE 24, 2008**

## **SPECIAL MEETING HELD IN THE COUNCIL ROOM AT 6:00 P.M.**

THE HONORABLE LAURENT F. GILBERT, SR., MAYOR, PRESIDING.

PRESENT: Mayor Gilbert, Councilors T. Peters, N. Peters, Poulin, Theriault, Bailey, Dube, Reed, City Administrator James Bennett, and City Clerk Kathleen Montejo.

Pledge of Allegiance to the Flag.  
Moment of Silence.

### **EXECUTIVE SESSION**

#### **VOTE (1)**

Motion by Councilor T. Peters, seconded by Councilor N. Peters:

To enter into an executive session pursuant to MRSA Title 1, Section 405(6)(E) to discuss a legal matter with the City Attorney regarding the sale of the Androscoggin Bank Colisee.

Passed - Vote 7-0

Executive Session began at 6:05pm and ended at 7:15pm.

### **APPROVAL OF THE SALE OF THE ANDROSCOGGIN BANK COLISEE TO FIRLAND MANAGEMENT**

Mayor Gilbert opened the floor for citizen input and comment. The following citizens addressed the Council regarding this matter:

Joseph Roy, 9 Venise Avenue - He noted the Colisee is a prolonged investment the City is already engaged in and should continue with. He does not believe that any group would want to purchase the Colisee. Mr. Roy said that he thought Firland Management was involved with the Colisee a while back and could not make it work. He said he is a hockey fan and attends every game and feels this contract ties the hands of the City.

Robert Gladu, 485 Grove Street - Mr. Gladu acknowledged that everyone in town wants to have the City out of the ice arena business, but he said this is the biggest give away he has ever heard of and urged the Council to find a better deal. He asked if the City is getting any assurances from Firland that they can accomplish the terms outlined in the contract.

Charles Soule, 170 Bartlett Street - Mr. Soule inquired about the process for starting a people's veto petition for this issue, in light of election ordinance changes that were voted on earlier in the month. He also asked how long Firland has been in Maine and if the youth hockey league was interested in purchasing the Colisee. He noted the elderly folks cannot afford to pay their taxes now and the Colisee is a white elephant that needs to be disposed of. He said the City should not get rid of it in a bad deal however, similar to the Bates Mill exit strategy.

Normand Rousseau, 4 Clearwater Avenue - Mr. Rousseau said he understands the Colisee is costing the taxpayers \$500,000 per year, however this is a community asset similar to properties maintained by the Parks and Recreation Department or the Library. They do not make money for the City, but they are assets and important just the same. He said events at the Colisee bring people into the community. This is a poor deal and he does not support it, saying it is a desperation sale. This is a win-win situation for Firland and a lose-lose for the City. He suggested putting this matter out to referendum vote and allowing the people to decide the fate of the Colisee.

Pauline Gudas, 6 Raymond Avenue - Mrs. Gudas expressed concerns about the three million dollar loan associated with the deal, suggesting the City sell the Colisee property outright and stay out of the loan business. She urged the Council to make this a clean sale and not to make any more loans to private companies with taxpayer funds. She noted that Firland has experience in managing ice arenas, so they should be prepared and experienced enough to purchase outright or pass on the deal.

David Hughes, 34 Howe Street - Mr. Hughes said the City never should have gotten into the deal to buy the Colisee in the first place. He suggested the City Council hold off on this deal with Firland for a couple more weeks to see if any other offers come along.

Rose Wilson - Ms. Wilson congratulated the Council in working out the best deal that they could for the City, noting it must have been a very hard decision to make. She said the sale to Firland which will make it a full time ice arena will benefit the local youth - the hockey teams, figure skating teams as well as adult hockey teams.

Andy Guerin and Dan Chasse - Mr. Guerin and Mr. Chasse represent the Lewiston Youth Hockey League and they are not present to either support or speak against the sale of the Colisee to Firland. They noted that they submitted an RFP to take over control and operations of the Colisee, but were not able to offer as much for the purchase cost. They want to make sure they can have a positive working relationship with Firland, noting that a majority of the positive cash flow for the Colisee comes from LYH and they do not want to have their schedules and ice time at risk with a third party controlling the situation.

Mike Ouellette - Mr. Ouellette spoke in favor of the Maineiacs and the need to keep them here in Lewiston. He said they are the largest ice hockey program that Lewiston has ever had and that many great hockey players have played in this League over the years.

Paul Spellman of Lisbon Road - Mr. Spellman said he felt the current Council and the previous Council were backed into a corner regarding the Colisee and the City has done the best it can to deal with the situation. He noted this current deal is the best one on the table at this time.

At this time, the Mayor closed the public input portion of the meeting. Council took a recess at 9:28pm and reconvened at 9:40pm.

Councilor Reed noted the City is losing about \$400,000 a year on the operations at the Colisee and he cannot see adding this money to the tax rate each year. He noted there is economic spin

off from the Colisee, but this is less than ten cents on the dollar for the costs of the building and it is just not economically feasible to continue with this. Councilor Dube said she appreciated hearing the different viewpoints of the residents who attended the meeting. She said this deal is the best the City could do to minimize the losses from the Colisee and noted the Council just finished months of budget review during which time they kept hearing from citizens the need to lower taxes. Councilor Bailey said she would not vote for anything that did not benefit the City and with this deal, the City is protected. She said in one year the Council will review the situation and if it did not work, they will have time to prepare the budget accordingly.

Councilor Theriault said that the Council has a tough decision to make, noting that Firland Management has experience and knowledge in running ice rinks. He is looking at the future of the City and Firland is the best option at this point to work with the City on this matter. He said the Council's decisions are done with the best interest of the taxpayer in mind. Councilor Poulin noted as well that it is a tough decision for the Council, saying there are valid points on both sides of the issue, and the Council needs to decide what is in the best interest for the entire community. He said that people want to have the Maineiacs, want to have youth hockey, but do not want to lose any money and have their taxes increase.

Councilor N. Peters noted the youth hockey program is a good program and the agreement with Firland Management is the best deal on the table at this time, noting unfortunately there are not enough deals on the table at this point. He said the City put six million dollars into the building over time and is selling for one million dollars. Councilor Peters stated that if Firland Management can make the building work, then so can the City and the community, and therefore, he is not in favor of the deal. Councilor T. Peters thanked everyone in the audience for taking the time and interest to attend the meeting and to share their views. He said it is a difficult decision when the City has invested so much money into the building and is selling it for much less, however the City cannot afford to continue with the losses. He noted the losses will only increase each year due to increased utility costs. If the Council does not do this deal, they will need to re-open the budget again to make allowances for the Colisee losses. This deal is a potential to stop the bleeding and the City has to do it for the benefit of all. He noted that the youth hockey teams will benefit from this deal. He acknowledged the City shouldn't have owned the building to begin with, but that is in the past now. There is a binding contract with the Maineiacs that should be honored and he stated the Colisee isn't going away. It will still remain as a community asset and benefit, just with a different operator.

Mayor Gilbert said that when the City first talked about taking control of the Colisee, he was in favor of it at the time. He noted the previous owner worked ten years to get a professional junior league here. When the City took over the building and contracted with a management company, they were told there would be 24-36 events per year held at the Colisee to make a profit. However, this has not happened and the City was losing money each year. When the City issued RFPs, only one proposal was received from Lewiston Youth Hockey and it would have cost the City money. Two additional proposals were received after the deadline, one being from Firland. He noted the City is at the eleventh hour now and can stop the bleeding as far as the loss of money each year, to the tune of one half a million dollars each year. Mayor Gilbert said that the youth hockey will benefit from this deal and the economic spin off will increase. He noted this is the best deal available now, and the City has been working on this deal for one year, so they are not jumping at it without a lot of thought and review.

**VOTE (2)**

Motion by Councilor T. Peters, seconded by Councilor Poulin:

Be It Hereby Resolved that the City Council of the City of Lewiston (“City”) approves a Purchase Agreement (the “Purchase Agreement”) by and among the City, Community Facility Corporation (“CFC”) and Firland Management Colisee LLC (“Buyer”) pursuant to which, among other things, CFC shall sell its membership interests in Lewiston Urban Civic Center Enterprises, LLC (“LUCCE”) to Buyer, substantially in the form presented at this meeting and authorizes the City Administrator to execute and deliver the Purchase Agreement on behalf of the City and to execute and deliver any and all of the other documents necessary in conjunction with the closing of the transactions described in such Purchase Agreement and the exhibits thereto on behalf of the City, all of the foregoing subject to Buyer and/or its principals providing adequate assurance, by 12:00pm EST on June 27, 2008, of adequate collateral to secure Buyer’s and its principals performance of its/their obligations under the Purchase Agreement and Lease. Adequate collateral is defined as a mortgage in the amount of at least \$250,000 or collateral of comparable quality or quantity;

And, Be It Hereby Further Resolved that the City Council of the City recommend to the Board of Directors of CFC as follows: that CFC approve the Purchase Agreement and authorize James A. Bennett, President of CFC, to execute and deliver the Purchase Agreement on behalf of CFC and to execute and deliver any and all of the other documents necessary in connection with the closing of the transactions described in such Purchase Agreement and the exhibits thereto on behalf of CFC, all of the foregoing subject to Buyer and/or its principals providing adequate assurance, by 12:00pm EST on June 27, 2008, of adequate collateral to secure Buyer’s and its principals performance of its/their obligations under the Purchase Agreement and Lease. Adequate collateral is defined as a mortgage in the amount of at least \$250,000 or collateral of comparable quality or quantity.

Passed - Vote 5-2 (Councilors N. Peters and Reed opposed)

**VOTE (3)**

Motion by Councilor T. Peters, second by Councilor Poulin:

To adjourn at 10:08P.M. Passed - Vote 7-0

A true record, Attest:

Kathleen M. Montejo, MMC  
City Clerk  
Lewiston, Maine